



**Peter Franchot**  
Comptroller

**Dhiren V. Shah**  
Director  
Central Payroll Bureau

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**TO:** Payroll Offices for the Regular Payroll System  
**FROM:** Dhiren V. Shah, Director  
Central Payroll Bureau  
**SUBJECT:** REGULAR PAYROLL SYSTEM -YEAR END ADJUSTMENTS

Distribution of paper 2022 W-2 Statements is planned for late-January 2023. For the regular payroll system, pay adjustments related to check cancellations and wage recoveries, including pay issued for the pay period ending November 15<sup>th</sup>, 2022 **must be delivered to the Central Payroll Bureau by the EOB Thursday, December 1<sup>st</sup>, 2022 so that the adjustments can be reflected in the original W-2 statements.**

Agencies that have payroll adjustments that miss the December 1<sup>st</sup>, 2022 deadline or that have adjustments resulting from either November 29<sup>th</sup> or December 13<sup>th</sup>, 2022 pay period endings, must inform the affected employees that their initial W-2 statements may be incorrect. Those employees **should be instructed to wait for receipt of a corrected W-2 statement** (form W-2C), which will be processed and mailed at the end of February, before filing their Federal or State income tax returns. Failure to alert these employees could result in those employees having to file amended tax returns.

**REGARDING LATE ADJUSTMENTS:**

The Central Payroll Bureau cannot recover for agencies, the taxes related to adjustments, net recoveries, and check cancellations that miss the December 1<sup>st</sup>, 2022 deadline. For check cancellations and recoveries agencies should contact Central Payroll Bureau. For check cancellations agencies may have to collect from the employee the total amount of federal and state taxes taken. For late wage recoveries, agencies should collect the total (gross) wage amounts from their employees rather than the after-tax amounts.

If the late adjustment results in a FICA wage reduction, complete a FICA Claim Certificate form. IRS regulations regarding the employee portion of the reported FICA require this Claim Certificate be signed by the employee. Failure to include the form may result in a denial of the employee FICA tax refund. The FICA Claim Certificate form can be found on the CPB Web site

<https://www.marylandtaxes.gov/statepayroll/payroll-officers.php>

**REGARDING LATE REQUESTS FOR TAX REFUNDS:**

Requests for refunds of taxes withheld due to employee or agency errors cannot be processed after **December 1<sup>st</sup>, 2022**. Employees can recover the tax overpayments when filing their 2022 tax returns.

**THROUGHOUT THE YEAR:**

**Any wage adjustment requests including check cancellations that occur throughout the year must not be held. These adjustment requests need to be delivered to the Central Payroll Bureau as soon as they are identified. This ensures that the State remains in compliance with tax reporting mandates.**

Thank you for your on-going support. Please refer any questions to Accounting & Reporting at 410-260-7964 or email: CPBACCTG@marylandtaxes.gov.